GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:2932
ANSWERED ON:30.03.2012
RBH SCHEME
Singh Shri Sushil Kumar

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Rural Business Hub (RBH) Scheme is being implemented by the Government;

(b) if so, the details and guidelines thereof alongwith the number of panchayats selected for its implementation;

(c) the details or proposals received from the Implementing Agencies in different States under the scheme and the funds allocated/released and expenditure reported by the States there under during the last three years and the current year, State-wise;

(d) the extent to which the scheme is beneficial to the rural people of the country alongwith the success achieved thereunder;

(e) whether the Government has reviewed the implementation of the scheme; and

(f) if so, the details and outcome thereof?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO)

(a): Yes Sir.

(b): Rural Business Hub (RBH) is a participatory development model for the rural areas of the country that is built on the platform of 4 Ps i.e., Public Private Panchayat Partnership. The Ministry of Panchayati Raj has been implementing this Central Sector Scheme for promoting businesses using raw materials / skills available in the rural areas. The scheme targets all sections in the rural areas to reap the benefits of rapid economic growth by harnessing the resources/ skills in the rural areas and leveraging the technology/ marketing skills of the industry. The entire process is mediated /facilitated by the empowered PRIs. This scheme is applicable to all the BRGF and North−Eastern Region districts. Under the scheme, MoPR extends token financial support (not exceeding Rs. 25 lakh) for viable RBH projects and the balance project cost has to be converged through other Central/ State Government Schemes/ Financial Institutions/implementing Organizations etc. Detailed guidelines are available on the National Panchayat Portal at .

(c): Details of proposals approved and funds released along with expenditure reported during the last three years and the current year, state-wise, is at Annex.

(d): During the 11th plan period, financial assistance has been released to 69 projects in different States to the tune of Rs. 6.85 crore in all. Mostly, funds have been provided for the income generating activities related to embroidery units, vegetable & vermicompost production, zari craft, handloom weaving etc to utilize the locally available resources and skills for producing marketable goods. The activities altogether have provided gainful employment and income generating opportunities to rural artisans/producers through larger market access.

(e) & (f): Yes Sir. Ministry of Panchayati Raj had got the programme evaluated through M/s Entrepreneurship Development Institute of India, Ahmedabad in 2011. The main findings of the evaluation are as under:

(1) Among implemented projects, half have produced noticeable employment and/or income impact.

(2) Engagement of business partner and to some extent, introduction of higher process/product standards are the elements of strategy which the Implementing Agencies (IAs) have followed on a significant scale, while partnership with PRIs and engagement of professional facilitator are conspicuous by their absence. The convergence has been attempted on limited scale.

(3) The choice of business is appropriate in case of 75% projects. In respect of 65% of projects, IA's possess adequate understanding of selected business, though some of them have not translated such understanding in project formulation.

(4) There is a dearth of proposals. The assistance per project is just Rs. 7 to 8 lakh and this discourages many companies /NGO's from presenting the proposal. The proposal scrutiny and project monitoring are low-key.

(5) The financial resource under the scheme has spread itself too thin.

(6) The focus of assistance is "critical infrastructure gap" but under most projects, the gap is not identified, leave alone being filled.

Based on the findings it has been decided to phase out the programme after the first year of the Twelfth Plan.